

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS

Call to Order: By **CHAIRMAN ALAN OLSON**, on April 13, 2005 at 4:00 P.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Alan Olson, Chairman (R)
Rep. Dave Gallik, Vice Chairman (D)
Rep. Dennis Himmelberger, Vice Chairman (R)
Rep. George G. Groesbeck (D)
Rep. Hal Jacobson (D)
Rep. Harry Klock (R)
Rep. Mark E. Noennig (R)

Members Excused: Rep. John Parker (D)
Rep. Diane Rice (R)

Members Absent: Rep. Robyn Driscoll (D)
Rep. Robin Hamilton (D)
Rep. Wayne Stahl (R)
Rep. Karl Waitschies (R)
Rep. Brady Wiseman (D)

Staff Present: Todd Everts, Legislative Branch
Cynthia Peterson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HJ 45, 4/12/2005; HJ 44, 4/12/2005
Executive Action:

HEARING ON HJ 45

Opening Statement by Sponsor:

REP. DENNIS HIMMELBERGER (R), HD 47, opened the hearing on **HJ 45**, which would study funding for wireless enhanced 911. **REP. HIMMELBERGER** saw the need for a study of enhanced 911 services because of the concerns that became apparent during the hearing on **REP. HIMMELBERGER's** earlier legislation.

Proponents' Testimony:

Jeff Brandt, Chief Information Officer for the State of Montana and Administrator of the Information Technology Services Division, explained he had opposed earlier legislation because of its complexity. **Mr. Brandt**, however, supports looking at the issue during the interim to come up with legislation that satisfies all parties.

Bonnie Lorang, Montana Independent Telecommunications Systems, supported HJ 45 and would like to see legislation that would establish an effective, efficient, cost-based recovery mechanism for statewide deployment of 911. **Ms. Lorang** hoped to see a good bill in 2007.

Geoff Feiss, Montana Telecommunications Association, supported HJ 45.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses: None.

Closing by Sponsor:

REP. HIMMELBERGER closed the hearing on HJ 45.

HEARING ON HJ 44

Opening Statement by Sponsor:

REP. ALAN OLSON (R), HD 45, opened the hearing on **HJ 44**, which would provide for a study on property taxation of oil & gas production, equipment, and transmission pipelines. **REP. OLSON**

explained there has been discussion as to what constitutes centrally assessed property versus other property. **REP. OLSON** stated the issue would go to the Interim Tax Committee for further study.

Proponents' Testimony:

William Duffield, Montana Association of Oil, Gas and Coal Counties, supports HJ 44 because over the years, the federal government has changed their laws regarding the way companies operate, and Montana's tax policies have not kept up with those regulations. **Mr. Duffield** suggested the Department of Revenue (DOR) could use direction and guidance.

Gail Abercrombie, Montana Petroleum Association, discovered the complexities of the issues and believed the parties should address the issues away from the helter skelter of the legislative session. **Ms. Abercrombie** commented she appreciated the construction of the resolution.

Opponents' Testimony: None.

Informational Testimony:

Kory Hofland, Department of Revenue, stated he was available for questions.

Questions from Committee Members and Responses:

REP. MARK NOENNIG, HD 46, BILLINGS, did not understand how the centrally assessed property versus locally assessed property worked and asked for a summary of the problem. **Mr. Hofland** replied DOR does not believe there is a problem, and the current statute reads that natural gas or oil pipelines operating in a single and continuous fashion across county and state lines are subject to central assessment. This represents a tax rate of 12% compared to a tax rate of 3 percent.

REP. NOENNIG asked **Ms. Abercrombie** what the basis was for Page 1, Lines 17-18. **Ms. Abercrombie** replied when the federal government made natural gas companies unbundle, utilities sold off their production. However, they are still being centrally assessed. The result is the same types of property are being taxed at different rates.

Closing by Sponsor:

REP. OLSON explained the difference is between transmission and gathering. **REP. OLSON** believed the issue needed thought and discussion over the interim.

EXECUTIVE ACTION

CHAIRMAN OLSON stated that because a quorum was not present, the Committee would be unable to conduct any executive action.

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ADJOURNMENT

Adjournment: 4:15 P.M.

REP. ALAN OLSON, Chairman

CYNTHIA PETERSON, Secretary

AO/cp

Additional Exhibits:

EXHIBIT ([feh79aad0.TIF](#))